

# BUDGET LETTER

SUBJECT: 2020-21 BUDGET POLICY	NUMBER: 19-19
REFERENCES: <a href="#">BL 19-06</a>	DATE ISSUED: July 23, 2019
	SUPERSEDES: 18-15

TO: Agency Secretaries  
Department Directors  
Department Chief Counsels  
Department Chief Information Officers  
Department Budget and Accounting Officers  
Department of Finance Budget and Accounting Staff

FROM: DEPARTMENT OF FINANCE

This Budget Letter sets forth the Department of Finance's policy guidelines for preparation of the proposed 2020-21 Governor's Budget. As a reminder, [BL 19-06](#), which Finance issued on June 18, 2019, outlines the technical and procedural requirements for preparation of the 2020-21 Governor's Budget.

## Priorities

The Administration's primary budget focus continues to be maintaining a structurally balanced budget that preserves critical state services, promotes affordability and economic opportunity, and pays down state debts and obligations. We must continue to plan and save for tougher budget times ahead given the growing uncertainty related to the global political and economic climate, federal policies, and the potential end of the current economic expansion that has surpassed historical averages. Departments must continue to control cost, identify and implement efficiencies, and refrain from creating new—or expanding existing—programs. Accordingly, Finance's consideration and approval of BCPs requesting ongoing General Fund for discretionary program expansions will be significantly limited.

## Budget Change Proposals (BCPs) and Enrollment/Caseload/Population (ECP)

Finance will consider workload budget and technical requests to maintain current service levels for existing authorized services as we traditionally have—based on current law, the merits of the proposal, and the availability of funding, regardless of fund source. These include existing or ongoing information technology and capital outlay projects. In addition, Finance will consider proposals for one-time investments, subject to the availability of General Fund. This criteria applies to all departments, including those not under the Governor's direct authority.

Departments should contact their Finance Program Budget Manager before the BCP or ECP due date, ideally by late July, to identify workload budget and technical requests that may be submitted. I strongly encourage you to work collaboratively with your Finance Program Budget Manager on an ongoing basis to prioritize budget requests prior to submitting any proposals.

Requests not meeting the criteria above, and/or that were not discussed with your Finance Program Budget Manager prior to submission, will not be considered for inclusion in the 2020-21 Governor's Budget. They will be returned without review.

**Workload budget and technical requests, including Budget Bill language changes, are due to Finance no later than Tuesday, September 3, 2019, or by an earlier date established by the Finance Program Budget Manager.**

(**Exception:** BCPs for chaptered legislation and late requests approved by Finance, as well as Early Engagement BCPs for which departments completed the agreed upon process, including in-depth meetings to evaluate alternatives). Contact your Finance budget analyst for fall ECP due dates. Detailed instructions for submitting BCP packages will be provided in a subsequent BL.

Departments must use the current BCP forms and Hyperion upload templates, as applicable, which are available on the [Budget Forms](#) page of Finance's website.

### **Budget Confidentiality**

Information contained in BCP and ECP proposals is an integral part of the Governor's deliberation process. Accordingly, departments must treat proposals as privileged and confidential until and unless the proposal is released to the Legislature as part of the Governor's Budget, the April 1 Finance Letter process, or the May Revision. **Disapproved, unapproved, and draft BCPs or ECP changes (i.e., proposals not released to the Legislature) remain confidential indefinitely, and may not be released.** Final BCPs approved by the Administration will be posted on [Finance's website](#).

Questions about Public Records Act or litigation discovery requests for budget documents should be directed to department legal staff and, if necessary, to Finance legal staff.

If you have any questions about this Budget Letter, please contact your Finance budget analyst.

/s/ Thomas Todd for

RICHARD GILLIHAN  
Chief Operating Officer